

**BOARD OF REGENTS
BAYLOR UNIVERSITY
October 20, 2017**

The Board of Regents of Baylor University met in Waco, Texas.

Regents Present:

Joel T. Allison, Chair
Daniel H. Chapman, Vice Chair
Jerry K. Clements, Vice Chair
Mark Hurd, Vice Chair

Robert “Bob” E. Beauchamp
Linda Brian
Kenneth “Ken” Q. Carlile
Jennifer Walker Elrod
Wayne Fisher
James Cary Gray
David H. Harper
Larry P. Heard
Milton Hixson
Dan Hord, III
Neal Jeffrey
Mark E. Lovvorn
Jill Manning
Mark A. McCollum
Melissa Purdy Mines
Ronald D. Murff
Randolph “Randy” L. Pullin
William K. Robbins, Jr.
C. Clifton Robinson
Mark Rountree
William “Bill” S. Simon
Kim Stevens
Julie Hermansen Turner
Dennis R. Wiles
Ronald L. Wilson
Gordon Wilkerson

Honoris Causa Regents Present:

William Brett Beene
William L. Cassara
Dusty Sanderson
Hannah Vecseri
Gaynor I. Yancey

Others Present: Dr. Linda A. Livingstone, President
Christopher W. Holmes, General Counsel and Corporate Secretary
Staff, Baylor University

A quorum being present, Chair Allison called the regular meeting of the Board of Regents to order in the Paul L. Foster Campus for Business and Innovation, Waco, Texas, on October 20, 2017, at 8:00 a.m. Chair Allison began the meeting by introducing members of the Honors Residential College, who led the devotional.

Following the devotional, Mr. Marc Hamlin, Brazos County District Clerk, presented two bound copies of historic 19th-century documents that belonged to Judge Baylor to the Board of Regents.

CONSENT AGENDA

Chair Allison asked for approval of the minutes of the July 21, 2017 Board Meeting and the Special Called Meeting of October 5, 2017. The minutes were approved. He then called for the adoption of the corporation's Signature Authorization Resolution (attached hereto as Exhibit A). The Resolution was approved.

PRESIDENT'S REPORT

Dr. Livingstone gave an update on the Strategic Plan. She reminded the Board that the plan is all tied to the Strategic Vision: Called to Lead; and the Strategic Goal: Establish Baylor as a "Tier One" Christian research university. She also brought the Board up-to-date on the work that has been done and is being done in the three areas for annual goals: Strong, Secure, and Strategic. The President closed her report by sharing with the Board that she and Chair Allison continue to work together to build/rebuild trust among key constituents. They will be going out together to speak to groups of faculty, staff, and alumni in what is being referred to as the Baylor Conversation Series. The first of these conversations will be with the faculty and staff in November.

Dr. Michael McLendon reported on the progress of the Academic Strategic Plan. As part of that plan there is work being done with cultural alignment to reshape campus; an alignment in purpose. With this alignment comes deep collaboration across the University as a means to accomplish the overall calling of Baylor. Dr. McLendon shared with the Board that Dr. Gary Carini has been named Vice Provost for Graduate Professional Education.

Mr. Jason Cook shared with the Board that his team is working on a new advertising campaign. The rollout is tentatively scheduled for January 2018.

Dr. Livingstone closed her report by introducing Ms. Kristy Orr who will begin her role as Board Professional on December 4, 2017.

EXECUTIVE COMMITTEE REPORT

Chair Allison reported that there were no updates since the Board of Regent Executive Committee phone call held on Wednesday, October 11, 2017.

ITEMS FOR BOARD DISCUSSION AND FORMAL ACTION

Mr. Rountree, on behalf of the Audit Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Audit Committee, the Board of Regents of Baylor University hereby approves the engagement of an auditing firm to review the 2016-2017 IRS Form 990, as found at Tab E of the Meeting Workbook (and attached hereto as Exhibit B).

Mr. Rountree, on behalf of the Audit Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Audit Committee, the Board of Regents of Baylor University hereby approves updating the University's External Audit Policy, as found at Tab F of the Meeting Workbook (and attached hereto as Exhibit C).

Mr. Heard, on behalf of the Finance and Facilities Committee, moved for the adoption of the following resolution, which passed:

RESOLVED that upon the recommendation of the Finance and Facilities Committee, the Board of Regents of Baylor University hereby approves the movement of IT and utility lines at a cost of \$1.2M as found at Tab H of the Meeting Workbook (and attached hereto as Exhibit E).

INFORMATION ITEMS

1) Academic Affairs Committee Report: Mr. David Harper, Chair

Mr. Harper shared that the Committee discussed the faculty development lifecycle and the fact that approximately one-third of the faculty are expected to retire over the next decade. The Committee also looked at the overall quality of education and the student success ratio. The main topic of discussion centered around the Academic Strategic Plan. The Committee used the data gathered from the Wednesday night working dinner as part of their discussion. Mr. Harper reported that there was a great deal of discussion about health science and health professions. The Committee also heard a report from Dr. Ann McGlashan, Chair of the Faculty Senate.

2) Advancement and Development Committee Report: Mrs. Kim Stevens, Vice Chair

Mrs. Stevens reported that the Committee discussed the new advancement model which includes a title change for Mr. Dave Rosselli to Vice President of Advancement. She also shared that a national search for the new Chief Alumni Officer will begin soon. The

Committee discussed three new Development policies that need to be implemented: Acceptance, Counting, and Naming policies. Mrs. Stevens reported that currently the year-to-date giving is ahead of last year.

3) Audit Committee Report: Mr. Mark Rountree, Chair

Mr. Rountree shared that the University's Audit Policy requires an RFP be done every five years for the external audit. The Committee will be bringing a recommendation of a firm to the Board in December. Dr. Juan Alejandro gave an update on Risk Management and issues and priorities for 2018.

4) Compliance and Regulatory Affairs Committee Report: Mr. Dan Hord, Chair

Mr. Hord shared that Mr. Doug Welch made a report to the Committee on student conduct. The Committee received an update on developments in Title IX as well as trends at Baylor. The SACSCOC report was reviewed by the Committee. Mr. Chad Jackson shared the Athletics Compliance Report with the Committee and reported that the background check process has been effective.

5) Finance and Facilities Committee Report: Mr. Larry Heard, Chair

Mr. Heard reported the final enrollment numbers for 2017 which included 3320 freshmen and 366 transfer students. He explained how the enrollment of the class impacted the budget of the University. Mr. Heard shared that the 2018 enrollment goals include maintaining undergraduate enrollment at 14,300 and monitoring the amount of University financial aid provided to students. Dr. Reagan Ramsower and Mrs. Susan Anz led the Committee in a financial discussion and Mr. Brian Nicholson presented a facilities plan update.

6) Nominating, Governance, and Regent Leadership Committee Report: Mr. Cary Gray, Chair

Mr. Gray shared that the Committee had a discussion regarding the Board officer and committee chair selection process. They also discussed the Alumni-Elected Regent process which is currently seeking candidates for nomination. In addition, the Committee discussed potential Baylor College of Medicine appointments to fill two vacant slots in May. Mr. Doug Bech gave a report from the Regent Selection Task Force. The Committee also discussed the current composition of the Board as well as the BGCT nomination process and the current Regent Emeriti program.

7) Student Life Committee Report: Judge Jennifer Elrod, Chair

Judge Elrod reported that the Committee had a dialogue with the Student Government and Graduate Student Association representatives regarding resources which enhance retention at Baylor. The Committee discussed addiction issues of Baylor students and the resources available. Athletics presented new programs that are being implemented in the Athletic Department related to mental health services and life skills.

8) University Leadership and Compensation Committee Report: Mr. Bob Beauchamp, Chair

Mr. Beauchamp gave his report during Executive Session.

Chair Allison asked that all guests leave the room and at that time the Board went into Executive Session.

There being no further business, Chair Allison adjourned the meeting at 11:50 a.m.

Marsha J. Duckworth, Assistant Secretary